



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR

PHIL BRYANT
State Auditor

RAMONA HILL, CPA
Director, Financial and Compliance Audit Division

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JONES COUNTY JUNIOR COLLEGE

Audited Financial Statements
For the Year Ended June 30, 2000

JONES COUNTY JUNIOR COLLEGE

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JONES COUNTY JUNIOR COLLEGE

FINANCIAL AUDIT REPORT

JONES COUNTY JUNIOR COLLEGE

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State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

INDEPENDENT AUDITOR'S REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

February 15, 2001

Dr. Ronald Whitehead, President and Board of Trustees
Jones County Junior College
Ellisville, MS 39437

We have audited the general purpose financial statements of Jones County Junior College as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of Jones County Junior College's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Jones County Junior College as of June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 15, 2001 on our consideration of Jones County Junior College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Phil Bryant". The signature is fluid and cursive, with a large initial "P" and a stylized "B".

PHIL BRYANT
State Auditor

A handwritten signature in black ink, appearing to read "Ramona Hill". The signature is cursive, with a large initial "R" and a stylized "H".

RAMONA HILL, CPA
Director, Financial and Compliance Audit Division

JONES COUNTY JUNIOR COLLEGE

AUDITED FINANCIAL STATEMENTS

JONES COUNTY JUNIOR COLLEGE
Balance Sheet
June 30, 2000
(With Comparative Figures at June 30, 1999)

Exhibit A

ASSETS	<u>Current Year</u>	<u>Prior Year</u>	LIABILITIES AND FUND BALANCES	<u>Current Year</u>	<u>Prior Year</u>
Current Funds			Current Funds		
Current Unrestricted Funds:			Current Unrestricted Funds:		
Cash and other deposits (Note 4)	\$ 10,615,975	10,285,001	Accounts payable and accrued expenses	\$ 1,558,844	1,717,927
Accounts receivable:			Deposits refundable	0	33,175
Students, less allowance of			Deferred credits	152,532	182,363
\$74,000 (2000) and			Fund balances:		
\$72,000 (1999)	113,000	89,327	Unallocated		
Other	903,219	692,175	General	10,176,446	9,080,425
Inventories	449,096	540,030	Auxiliary	886,275	891,117
Due from other funds	<u>692,807</u>	<u>298,474</u>			
Total Current Unrestricted Funds	<u>12,774,097</u>	<u>11,905,007</u>	Total Current Unrestricted Funds	<u>12,774,097</u>	<u>11,905,007</u>
Current Restricted Funds:			Current Restricted Funds:		
Other accounts receivable	1,545,560	1,202,740	Accounts payable and accrued expenses	209,298	119,149
			Due to other funds	692,807	298,474
			Fund balance:		
			Allocated	<u>643,455</u>	<u>785,117</u>
Total Current Restricted Funds	<u>1,545,560</u>	<u>1,202,740</u>	Total Current Restricted Funds	<u>1,545,560</u>	<u>1,202,740</u>
Total Current Funds	<u>\$ 14,319,657</u>	<u>13,107,747</u>	Total Current Funds	<u>\$ 14,319,657</u>	<u>13,107,747</u>
Loan Funds			Loan Funds		
Cash and other deposits (Note 4)	\$ 13,601	12,613	Fund balances:		
Notes receivable:			Federal	\$ 1,997	1,946
Federal student loans, less allowance of			Institution	15,925	15,587
\$14,267 (2000) and					
\$14,267 (1999) (Note 5)	177	177			
Institutional student loans (Note 5)	<u>4,144</u>	<u>4,743</u>			
Total Loan Funds	<u>\$ 17,922</u>	<u>17,533</u>	Total Loan Funds	<u>\$ 17,922</u>	<u>17,533</u>
Endowment and Similar Funds			Endowment and Similar Funds		
Cash and other deposits (Note 4)	\$ 491,141	319,788	Fund balances:		
Accounts receivable - other	<u>16,480</u>		Endowment	<u>\$ 507,621</u>	<u>319,788</u>
Total Endowment & Similar Funds	<u>\$ 507,621</u>	<u>319,788</u>	Total Endowment & Similar Funds	<u>\$ 507,621</u>	<u>319,788</u>

Plant Funds		
Cash and other deposits (Note 4)	\$ 3,539,066	2,889,784
Other accounts receivable	85,305	40,575
Land	242,000	242,000
Improvements other than buildings	3,114,259	2,879,622
Buildings	34,676,278	33,109,470
Furniture, machinery and equipment	10,665,328	7,011,220
Books and films	1,626,878	1,577,430
Construction in progress	<u>2,505,489</u>	<u>1,692,899</u>
Total Plant Funds	\$ <u>56,454,603</u>	<u>49,443,000</u>

Agency Funds		
Cash and other deposits (Note 4)	\$ 100,084	88,924
Other accounts receivable	<u>741</u>	
Total Agency Funds	\$ <u>100,825</u>	<u>89,467</u>

Plant Funds		
Accounts payable	\$ 160,906	259,051
Fund balances:		
Unexpended	3,463,465	2,671,308
Net investment in plant	<u>52,830,232</u>	<u>46,512,641</u>
Total Plant Funds	\$ <u>56,454,603</u>	<u>49,443,000</u>

Agency Funds		
Accounts payable and accrued expenses	\$ 629	
Due to depositors	<u>100,196</u>	<u>89,467</u>
Total Agency Funds	\$ <u>100,825</u>	<u>89,467</u>

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements

JONES COUNTY JUNIOR COLLEGE
Statement of Changes in Fund Balances
For the Year Ended June 30, 2000

Exhibit B

	<u>Current Funds</u>			<u>Loan Funds</u>	<u>Endowment and Similar Funds</u>	<u>Plant Funds</u>	
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>			<u>Unexpended</u>	<u>Investment in Plant</u>
Revenues and Other Additions							
Tuition and fees	\$ 4,340,999		4,340,999				
State appropriations	17,064,867		17,064,867			1,221,970	
Local appropriations	1,549,569		1,549,569			1,044,253	
Federal grants and contracts	747,853	6,390,872	7,138,725				
State grants and contracts	1,526,532	815,822	2,342,354				
Private gifts, grants & contracts		32,034	32,034		124,150		
Investment income	619,966	2,735	622,701	389	24,886	161,912	
Additions to plant facilities							4,105,879
Sales and services of educational activities	126,676		126,676				
Sales and services of auxiliary activities	3,059,962		3,059,962				
Other	393,385		393,385			7,530	
Total Rev. & Other Additions	<u>29,429,809</u>	<u>7,241,463</u>	<u>36,671,272</u>	<u>389</u>	<u>149,036</u>	<u>2,435,665</u>	<u>4,105,879</u>
Expenditures & Other Deductions							
Educational and general:							
Instruction	14,082,333	2,329,028	16,411,361				
Academic support	1,233,806	16,779	1,250,585				
Student services	2,597,822	45,582	2,643,404				
Institutional support	2,602,343	18,151	2,620,494				
Operation & maint. of plant	2,240,353	265	2,240,618				
Student aid	769,441	5,180,265	5,949,706		13,417		
Total Educational and General	23,526,098	7,590,070	31,116,168		13,417		
Auxiliary	2,980,817	2,658	2,983,475				
Repairs and maintenance						470,798	
Expended for plant facilities						2,672,710	
Plant assets sold or retired							1,526,717
Provision for uncollectible accts.	2,000		2,000				
Other	6,077	61,821	67,898				
Total Expenditures and Other Deductions	<u>26,514,992</u>	<u>7,654,549</u>	<u>34,169,541</u>		<u>13,417</u>	<u>3,143,508</u>	<u>1,526,717</u>
Transfers - Additions (Deductions)							
Mandatory:							
Restricted fund matching	(39,497)	39,497					
Total Mandatory	<u>(39,497)</u>	<u>39,497</u>					
Other:							
Building projects	(284,141)	284,141					
Other	(1,500,000)	(52,214)	(1,552,214)		52,214	1,500,000	
Total Other	<u>(1,784,141)</u>	<u>231,927</u>	<u>(1,552,214)</u>		<u>52,214</u>	<u>1,500,000</u>	
Total Transfers	<u>(1,823,638)</u>	<u>271,424</u>	<u>(1,552,214)</u>		<u>52,214</u>	<u>1,500,000</u>	
Net Increase (Decr.) for Year	<u>1,091,179</u>	<u>(141,662)</u>	<u>949,517</u>	<u>389</u>	<u>187,833</u>	<u>792,157</u>	<u>2,579,162</u>

Fund Balance at Beg. of Year							
As Previously Reported	9,971,542	785,117	10,756,659	17,533	319,788	2,671,308	46,512,641
Adjustments (Note 3)							<u>3,738,429</u>
Restated	<u>9,971,542</u>	<u>785,117</u>	<u>10,756,659</u>	<u>17,533</u>	<u>319,788</u>	<u>2,671,308</u>	<u>50,251,070</u>
Fund Balance at End of Year	\$ <u>11,062,721</u>	<u>643,455</u>	<u>11,706,176</u>	<u>17,922</u>	<u>507,621</u>	<u>3,463,465</u>	<u>52,830,232</u>

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements

JONES COUNTY JUNIOR COLLEGE
Statement of Current Fund Revenues, Expenditures and Other Changes
For the Year Ended June 30, 2000
(With Comparative Figures for the Year Ended June 30, 1999)

Exhibit C

	Current Year			Prior Year
	Unrestricted	Restricted	Total	Total
Revenues and Other Additions				
Tuition and fees	\$ 4,340,999		4,340,999	4,135,880
State appropriations	17,064,867		17,064,867	15,193,853
Local appropriations	1,549,569		1,549,569	1,487,771
Federal grants and contracts	747,853	6,702,640	7,450,493	6,647,770
State grants and contracts	1,526,532	815,822	2,342,354	3,120,571
Private gifts, grants and contracts		32,034	32,034	10,004
Investment income	619,966	2,735	622,701	542,244
Sales and services of educational activities	126,676		126,676	120,022
Sales and services of auxiliary activities	3,059,962		3,059,962	3,005,088
Decrease in allowance for doubtful accounts				14,000
Other	<u>393,385</u>		<u>393,385</u>	<u>288,016</u>
Total Revenues and Other Additions	<u>29,429,809</u>	<u>7,553,231</u>	<u>36,983,040</u>	<u>34,565,219</u>
Expenditures & Mandatory Transfers				
Educational and general:				
Instruction	14,082,333	2,329,028	16,411,361	14,726,906
Academic support	1,233,806	16,779	1,250,585	1,185,401
Student services	2,597,822	45,582	2,643,404	2,577,223
Institutional support	2,602,343	18,151	2,620,494	2,682,069
Oper. & maintenance of plant	2,240,353	265	2,240,618	1,939,711
Student aid	<u>769,441</u>	<u>5,180,265</u>	<u>5,949,706</u>	<u>5,805,780</u>
Total Educational and General Expenditures	23,526,098	7,590,070	31,116,168	28,917,090
Mandatory transfers:				
Restricted fund matching	<u>38,832</u>	<u>(38,832)</u>		
Total Educational and General	<u>23,564,930</u>	<u>7,551,238</u>	<u>31,116,168</u>	<u>28,917,090</u>
Auxiliary enterprises:				
Expenditures	2,980,817	2,658	2,983,475	2,904,485
Mandatory transfers:				
Restricted fund matching	<u>665</u>	<u>(665)</u>		
Total Auxiliary Enterprises	<u>2,981,482</u>	<u>1,993</u>	<u>2,983,475</u>	<u>2,904,485</u>
Total Expenditures and Mandatory Transfers	<u>26,546,412</u>	<u>7,553,231</u>	<u>34,099,643</u>	<u>31,821,575</u>
Other Transfers - Additions (Ded.)				
Excess restricted receipts over expenditures & mandatory transfers		(311,768)	(311,768)	(547,012)
Building projects	(284,141)	284,141		
Other transfers	(1,500,000)	(52,214)	(1,552,214)	(1,000,000)
Provision for uncollectible accounts	(2,000)		(2,000)	
Other	<u>(6,077)</u>	<u>(61,821)</u>	<u>(67,898)</u>	<u>(101,842)</u>
Total Other Transfers - Additions (Deductions)	<u>(1,792,218)</u>	<u>(141,662)</u>	<u>(1,933,880)</u>	<u>(1,648,854)</u>
Net Change in Fund Balance	\$ <u>1,091,179</u>	<u>(141,662)</u>	<u>949,517</u>	<u>1,094,790</u>

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements

JONES COUNTY JUNIOR COLLEGE

Summary of Significant Accounting Policies For the Year Ended June 30, 2000

The significant accounting policies followed by Jones County Junior College are described below to enhance the usefulness of the financial statements to the reader.

(1) Basis of Accounting.

Jones County Junior College uses the accounting system set out in the "Accounting Manual for Mississippi's Public Junior Colleges." This manual conforms in most respects with the principles set forth in the "Financial and Reporting Manual for Higher Education" issued by the National Association of College and University Business Officers (NACUBO) and the Industry Audit Guide, "Audits of Colleges and Universities" issued by the American Institute of Certified Public Accountants, while acknowledging the goals and activities of Mississippi's public community colleges.

The accompanying financial statements have been prepared generally on the accrual basis with the following exceptions, which are common practices in colleges and universities:

- A. Depreciation on physical plant and equipment has not been provided.
- B. To the extent that Current Funds are used to finance plant assets, the amounts so provided are accounted for as (a) expenditures, in the case of normal acquisition and/or replacement of moveable equipment and library books; (b) mandatory transfers, in the case of required provisions for debt amortization and interest, and equipment renewals and replacements; and (c) transfers of a nonmandatory nature for all other cases.
- C. Interest on student loans is recorded only when received.
- D. Interest expense on debt is recorded when paid.

Gifts, grants and pledges are generally recorded when received or when billable.

Investments are recorded at cost if purchased or if acquired by gift at fair market value at the time of donation.

Property, buildings and equipment are stated at cost at the date of acquisition or fair market value at date of donation. Improvements made as part of repair and renovation projects are capitalized based upon institution estimates which approximate cost. Public domain (infrastructure) fixed assets consisting of certain improvements other than buildings, such as roads, bridges, sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the institution, are capitalized.

Merchandise for resale inventories and consumable supply inventories are stated at cost, with cost being determined principally by the retail method.

All revenues and related expenditures incurred in connection with summer sessions are reported within the fiscal year in which the summer sessions are predominantly conducted.

Service activities at the institution are those activities which provide general services benefitting many funds. Service activities include duplicating services. Such activities are maintained during the fiscal year as Auxiliary Funds for management purposes. These activities' expenditures are allocated to other funds based upon a user charge system. At fiscal year-end, any over or under allocation made during the year is closed to institutional support in the Current Unrestricted Fund.

JONES COUNTY JUNIOR COLLEGE

Summary of Significant Accounting Policies For the Year Ended June 30, 2000

(2) Fund Accounting.

In order to insure observance of limitations and restrictions placed on the use of the resources available, the accounts of the institution are maintained in accordance with the principles of "fund accounting". This accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

The Current Funds are used primarily to account for transactions which are expended in performing the primary and support objectives of the institution.

Current Funds consist of the following:

- A. The Unrestricted Fund which is used to account for:
 - 1. The appropriated budget as approved by the Mississippi State Legislature and the Board of Trustees of Jones County Junior College.
 - 2. The transactions of substantially self-supporting activities that primarily provide services for students, faculty and staff.
- B. The Restricted Fund which is used to account for Current Funds expended for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

Other funds consist of the following:

- A. The Loan Funds are used to account for loans to students. Resources to provide loans are derived primarily from the federal government. Provisions of the federal loan program stipulate that:
 - 1. The institution's matching share is one-third of the federal contributions.
 - 2. A portion of the loan principal and interest (maximum of 30% per year) will be canceled and absorbed by the federal government, if the recipient completes certain employment requirements.
- B. Endowment and Similar Funds are subject to the restrictions of donor gift instruments and only the income is to be utilized.
- C. The Plant Funds which are used to account for the transactions relating to institution physical properties include:
 - 1. The Unexpended Plant Fund which is comprised of amounts which have been appropriated or designated for the purchase of institution physical properties or the repair and maintenance of such physical properties.
 - 2. The Investment in Plant Fund which represents the total physical properties in service by the institution and all construction in progress as well as any associated liabilities.
- D. Agency Funds account for assets held by the institution as custodian or fiscal agent for others. Consequently, the transactions of this fund do not affect the statement of changes in fund balances.

JONES COUNTY JUNIOR COLLEGE

Notes to Financial Statements For the Year Ended June 30, 2000

(1) Appropriations - General Operations.

Jones County Junior College receives funds from the state of Mississippi based on the number of full-time students actually enrolled and in attendance on the last day of the sixth week of the fall semester of the previous year, counting only those students who reside within the state of Mississippi. In addition, the institution receives funds from taxes levied by the counties in the district for general support, maintenance and capital improvement.

(2) Accrued Leave.

Because the institution does not provide for the accumulation of sick leave or vacation beyond one fiscal year, no liability has been accrued in the financial statements.

(3) Prior Period Adjustments.

For the year ended June 30, 2000, the institution recorded prior period adjustments which consisted of the following addition to the following fund balance:

<u>Explanation</u>	<u>Addition</u>
Investment in Plant Fund	
Fiscal year 1999 vocational and technical equipment inventory added in fiscal year 2000	\$3,738,429

(4) Cash and Other Deposits.

For financial statement purposes, cash and other deposits are represented by demand accounts and time deposits such as savings accounts, certificates of deposit and money market funds. Also included in this account are imprest cash accounts held by the institution. The carrying amount of the institution's cash and other deposits at June 30, 2000, was \$14,759,867, and the depository balance, including accrued interest of \$132,280, was \$14,265,672. The portion of such depository balances covered by federal depository insurance or by collateral held by the institution or its agent was \$655,044. The amount of \$13,610,628 was collateralized with securities held by a pledging financial institution's trust department or agent in the institution's name.

JONES COUNTY JUNIOR COLLEGE

Notes to Financial Statements For the Year Ended June 30, 2000

(5) Notes Receivable From Students.

Notes receivable from students are payable in installments over a period of up to ten years, commencing three to 12 months from the date of separation from the institution. The following is a schedule of interest rates and unpaid balances for the different types of notes receivable held by the institution at June 30, 2000:

	Interest Rates	Unpaid Balance June 30, 2000
Perkins student loans	3% to 5%	\$ 3,527
Nursing student loans	3% to 6%	10,917
Institution loans	0%	<u>4,144</u>
Total Notes Receivable		18,588
Less: Allowance for Doubtful Accounts		<u>14,267</u>
Net Notes Receivable		\$ <u><u>4,321</u></u>

(6) Operating Leases.

Leased property under operating leases is composed of mats and eight copiers. The following is a schedule by years of the future minimum rental payments required under those operating leases:

Year Ending June 30	Amount
2001	\$ 50,594
2002	48,104
2003	47,754
2004	<u>1,800</u>
Total Minimum Payments Required	\$ <u><u>148,252</u></u>

The total rental expense for all operating leases, except those with terms of a month or less that were not renewed, for the fiscal year ending June 30, 2000, was \$58,458.

JONES COUNTY JUNIOR COLLEGE

Notes to Financial Statements For the Year Ended June 30, 2000

(7) Construction Commitments and Financing.

The institution has contracted for the construction of the following:

<u>Project</u>	<u>Cost to Complete</u>
State Fund	
Agriculture Building renovation	\$ 262,336
Wayne Hall Dormitory addition	<u>367,785</u>
Total	\$ <u><u>630,121</u></u>

(8) Pension Plan.

Plan Description. The institution contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy. PERS members are required to contribute 7.25% of their annual covered salary and the institution is required to contribute at an actuarially determined rate. The current rate is 9.75% of annual covered payroll. The contribution requirement of PERS members are established and may be amended only by the State of Mississippi Legislature. The institution's contributions to PERS for the years ending June 30, 2000, 1999 and 1998 were \$1,498,512, \$1,343,423 and \$1,264,435, respectively, equal to the required contributions for each year.

(9) Foundation.

Jones County Junior College Foundation, Inc. is an independent corporation formed for the purpose of receiving funds for the sole benefit of the institution. Following is a summary of the foundation's financial position at June 30, 2000, which amounts are not included in the financial statements of the institution:

<u>Assets</u>	<u>Amount</u>
Cash and investments	\$ 75,232
Investments	3,176,027
Contributions receivable, net	757,613
Property and equipment, net	44,276
Collection items	<u>4,500</u>
Total Assets	\$ <u><u>4,057,648</u></u>

JONES COUNTY JUNIOR COLLEGE

Notes to Financial Statements
For the Year Ended June 30, 2000

<u>Liabilities and Fund Balances</u>	<u>Amount</u>
Liabilities:	
Accounts payable	\$ 7,214
Current Funds:	
Unrestricted	989,622
Restricted	<u>3,060,812</u>
Total Liabilities and Fund Balances	\$ <u><u>4,057,648</u></u>

JONES COUNTY JUNIOR COLLEGE

SUPPLEMENTAL INFORMATION

JONES COUNTY JUNIOR COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Student Financial Aid - Cluster			
<u>U.S. Department of Education</u>			
Federal PELL Grant Program	84.063		\$ 4,591,895
Federal Supplemental Educational Opportunity Grant Program (FSEOG)	84.007		194,708
Federal Family Educational Loan Program (FFEL)	(1) 84.032		1,239,805
Federal Work-study Program (FWS)	84.033		122,801
Board of Trustees of Institutions of Higher Learning - State Student Incentive Grant Program (SSIG)	84.069		<u>2,901</u>
Total U.S. Department of Education			<u>6,152,110</u>
Total Student Financial Aid			<u>6,152,110</u>
Other Programs:			
<u>U.S. Department of Education</u>			
Civic Grant - Domestic - We the People	84.929A		750
Civic Grant - International - Civitas	84.304A		22,812
Pass-through programs from:			
State Department of Education - Adult Education-State Grant Program	84.002		149,871
State Department of Education - Vocational Education Basic Grants to States	84.048	E-V048A60024	276,962
State Department of Education -Tech-Prep Education	84.243	E-V243A60095	<u>111,416</u>
Total U.S. Department of Education			<u>561,811</u>
<u>U.S. Department of Agriculture</u>			
Pass-through program from:			
Mississippi Community College Foundation - Mississippi Rural Health Corp Program Cooperative Extension Service	10.500		<u>197,759</u>
Total U.S. Department of Agriculture			<u>197,759</u>
<u>Small Business Administration</u>			
Pass-through program from:			
University of Mississippi - Small Business Development Center	59.037		<u>48,219</u>
Total Small Business Administration			<u>48,219</u>
<u>National Science Foundation</u>			
Education and Human Resources	47.076		<u>740,660</u>
Total National Science Foundation			<u>740,660</u>

JONES COUNTY JUNIOR COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Labor</u>			
Pass-through programs from:			
Mississippi Employment Security Commission - Individual Referrals	17.250		44,323
State Department of Education - JTPA - Title IIA	17.250	L-799551TA31	32,842
Total U.S. Department of Labor			<u>77,165</u>
Total Other Programs			<u>1,625,614</u>
Total Expenditures of Federal Awards			\$ <u><u>7,777,724</u></u>

Notes to Schedule of Expenditures of Federal Awards

This schedule was prepared using the same basis of accounting and the same significant accounting policies, as applicable, used for the general purpose financial statements, with the following exception:

(1) For purposes of this schedule, loans made to students under the Federal Family Educational Loan Program (CFDA #84.032) are presented as federal expenditures. Neither the funds advanced to students, nor the outstanding loan balance is included in the financial statements since the loans are made and subsequently collected by federal lending institutions.

JONES COUNTY JUNIOR COLLEGE

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JONES COUNTY JUNIOR COLLEGE

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

JONES COUNTY JUNIOR COLLEGE

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State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

February 15, 2001

Dr. Ronald Whitehead, President and Board of Trustees
Jones County Junior College
Ellisville, MS 39437

We have audited the general purpose financial statements of Jones County Junior College as of and for the year ended June 30, 2000, and have issued our report thereon dated February 15, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the institution's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

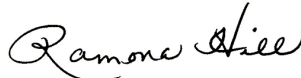
In planning and performing our audit, we considered the institution's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our opinion, could adversely affect the institution's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 2000-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all reportable conditions and, accordingly, would not also disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the finding referred to above is not a material weakness.

This report is intended solely for the information and use of management, entities with accreditation overview, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



PHIL BRYANT
State Auditor



RAMONA HILL, CPA
Director, Financial and Compliance Audit Division



State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

February 15, 2001

Dr. Ronald Whitehead, President and Board of Trustees
Jones County Junior College
Ellisville, MS 39437

Compliance

We have audited the compliance of Jones County Junior College with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2000. The institution's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the institution's management. Our responsibility is to express an opinion on the institution's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the institution's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the institution's compliance with those requirements.

In our opinion, Jones County Junior College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of Jones County Junior College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the institution's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We did not note any matters involving internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, entities with accreditation overview, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



PHIL BRYANT
State Auditor



RAMONA HILL, CPA
Director, Financial and Compliance Audit Division

JONES COUNTY JUNIOR COLLEGE

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

JONES COUNTY JUNIOR COLLEGE

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State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

February 15, 2001

Dr. Ronald Whitehead, President and Board of Trustees
Jones County Junior College
Ellisville, MS 39437

We have audited the general purpose financial statements of Jones County Junior College as of and for the year ended June 30, 2000, and have issued our report thereon dated February 15, 2001. We conducted our audit in accordance with generally accepted auditing standards.

We have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the general purpose financial statements did not disclose any instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of management, entities with accreditation overview, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Phil Bryant".

PHIL BRYANT
State Auditor

A handwritten signature in cursive script that reads "Ramona Hill".

RAMONA HILL, CPA
Director, Financial and Compliance Audit Division

JONES COUNTY JUNIOR COLLEGE

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JONES COUNTY JUNIOR COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JONES COUNTY JUNIOR COLLEGE

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JONES COUNTY JUNIOR COLLEGE

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2000

Section 1: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|---|-------------|
| 1. | Type of auditor's report issued on the general purpose financial statements: | Unqualified |
| 2. | Material noncompliance relating to the general purpose financial statements? | No |
| 3. | Internal control over financial reporting: | |
| a. | Material weakness(es) identified? | No |
| b. | Reportable condition(s) identified that are not considered to be material weaknesses? | Yes |

Federal Awards:

- | | | |
|----|--|-------------|
| 4. | Type of auditor's report issued on compliance for major federal programs: | Unqualified |
| 5. | Internal control over major programs: | |
| a. | Material weakness(es) identified? | No |
| b. | Reportable condition(s) identified that are not considered to be material weaknesses? | No |
| 6. | Any audit finding(s) reported as required by Section ____510(a) of Circular A-133? | No |
| 7. | Federal programs identified as major programs: | |
| a. | Student financial aid cluster:
CFDA #84.063
CFDA #84.007
CFDA #84.032
CFDA #84.033
CFDA #84.069 | |
| b. | Education and Human Resources:
CFDA #47.076 | |
| 8. | The dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 9. | Auditee qualified as a low-risk auditee? | Yes |

JONES COUNTY JUNIOR COLLEGE

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2000

10. Prior fiscal year audit finding(s) and questioned cost relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings as discussed in Section _____.315(b) of OMB Circular A-133? No

Section 2: Financial Statement Finding

2000-1. Finding

Jones County Junior College does not have written policies and procedures for its Information Technology Department.

Recommendation

We recommend that Jones County Junior College establish written policies and procedures for its Information Technology Department operations. We further recommend that the Information Technology Department and the various user departments work together to establish written user documentation (instructional manuals).

Section 3: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to the federal awards.

JONES COUNTY JUNIOR COLLEGE

AUDITEE'S CORRECTIVE ACTION PLAN

JONES COUNTY JUNIOR COLLEGE

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Jones County Junior College

ELLISVILLE, MISSISSIPPI 39437

March 5, 2001

The Honorable Phil Bryant
Office of the State Auditor
P.O. Box 986
3750 I-55 North Frontage Road
Jackson, MS 39205

Subject: Conditions and recommendations for audit, for the year ended June 30, 2000

Dear Mr. Bryant:

As required by Section ____315(b) of OMB Circular A-133, Jones County Junior College has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2000:

Findings

Corrective Action Plan Details

00-1

- a. Royce Black, Director of Admin. Computer Services
(601) 477-4044
- b. Policies and procedures will be put in writing upon complete implementation of a new administrative software package. The conversion will give college personnel the opportunity to completely reexamine and document all computerized processes. The implementation is expected to be an 18 to 24 month process. At this time, all user departments will be involved in documenting user policies/manuals.
- c. June 2002

Sincerely,

Derek Youngblood, CPA
Business Manager